



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE SUITE 1000
WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ 021
7 Dec 98

MEMORANDUM FOR DISTRIBUTION

Subj: REINSTATEMENT OF SMALL BUSINESS SET-ASIDES UNDER THE
SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM FOR
WORK UNDER SIC CODES IN THE 1500 SERIES, 1629, AND 1791
(CONSTRUCTION) (98-62)

Ref: (a) NAVFAC memorandum ACQ 021 of 16 Sep 98 (98-36)
(b) NAVFAC memorandum ACQ 021 of 23 Sep 98 (98-52)

Encl: (1) OASN (RD&A) memo of 5 Oct 98

1. Enclosure (1) is forwarded for information and immediate implementation, as appropriate.

2. By references (a) and (b), contracting offices were reminded that small business set-asides were reinstated department wide for specific industry groups. Of specific interest are SIC Codes in the 1500 series, 1629 and 1791, construction. Accordingly, the following implementing guidelines apply to work under existing indefinite delivery type construction vehicles and new solicitations.

3. Acquisition planning is required for all new procurement actions. Generally, this is accomplished through an activity's acquisition strategy board. For all new requirements including planned delivery orders under indefinite delivery construction contracts, contracting officers shall ensure that strategies consider small, small disadvantaged and women owned small business concerns. Accordingly, contracting officers are required to implement acquisition strategy meetings to review upcoming requirements that will achieve, at a minimum, 40% prime awards to firms in those categories on a quarterly basis. Chief of Contracting Offices (CCOs) shall provide contract vehicle assistance to field offices that may only have one Job Order Contract (JOC) type contract. Work issued to other than small businesses shall be monitored to ensure each office meets their 60% subcontracting objective to small and small disadvantaged firms.

4. New solicitations are required to comply with enclosure (1) as provided in DFARS 219.10. Orders under existing indefinite delivery construction contracts may continue to participating firms provided that offices meet prime and subcontracting objectives. Source selection criteria shall include a Small

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Business Subcontracting Criteria which is at least equal to the
highest ranking technical criteria.

5. Issuance of orders may be limited to one or two small
businesses under a multiple award construction contract if
necessary to meet prime small business contracting objectives.
Delivery orders under current JOC type contracts with large
businesses will need to be supplemented with other acquisition
strategies. Use of simplified procurement procedures and EFD/EFA
SOC/TOC type contracts should be explored to assist field offices
in achieving their quarterly objectives. OUSD will evaluate the
performance under these SIC codes on a quarterly basis, taking
into consideration the performance for the last four quarters to
determine if Navy is meeting the established goals. We will
continue to follow this policy until further notice from OUSD.

5. It is incumbent upon us to develop strategic, balanced
acquisition strategies that meet the needs of all concerned.
This effort will put a premium on coordination and education of
customers, program managers, contracting offices, and small
business representatives. Through an integrated process team
approach, all the objectives can be accomplished.

A handwritten signature in black ink, appearing to read "Robert R. Boyer". The signature is fluid and cursive, with the first name "Robert" and last name "Boyer" clearly distinguishable.

ROBERT R. BOYER
Director, Acquisition

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
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1000 NAVY PENTAGON
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online
ASN-RDA:
[1998] [97] [96]

OSD + Other:
[97] [96]

OCT 5 1998

MEMORANDUM FOR DISTRIBUTION

Subj: REINSTATEMENT OF SMALL BUSINESS SET-ASIDES
UNDER THE SMALL BUSINESS COMPETITIVENESS
DEMONSTRATION PROGRAM

Encl: (1)  OUUSD DP/CPA memo of 2 Sept 1998

Ref: (a) OASN(RD&A) memo of 10 Jul 1998
(b) OASN(RD&A) memo of 15 Oct 1991

Enclosure (1) advises that for the twelve months ending June 1998, awards under the following industries fell below the 40 percent (SIC Code 3731, Service Codes J998 and J999) and 35 percent (SIC Codes 1629 and 1791) thresholds. Accordingly, pursuant to DFARS 219.1006(b)(2), the Director, Defense Procurement has directed the reinstatement of small business set-aside procedures pursuant to subpart 19.5 of the FAR for all solicitations issued on or after 2 September 1998, or as soon thereafter as possible for the above mentioned industries.

Contracting activities are reminded that by references (a) and (b), small business set-asides were reinstated departmentwide for specific industry groups. These reinstatements remain in effect. In addition, OFPP raised the emerging small business reserve amount for A&E Services from \$25,000 to \$50,000 on September 13, 1991. This increase remains in effect.

Please forward the enclosed memorandum to appropriate contracting personnel.

Elliott B. Branch

Elliott B. Branch
Executive Director
Acquisition & Business
Management

Distribution:

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OFFICE OF THE UNDER SECRETARY OF DEFENSE

**3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000**

SEPT 2, 1998

DP/CPA

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM

SUBJECT: Reinstatement of **Small Business** Set-asides Under the
Small Business Competitiveness Demonstration Program

The Office of Federal Procurement Policy (OFPP) implemented the Small Business Competitiveness Demonstration Program by issuance of a test plan on August 31, 1989, and an amended test plan on April 16, 1993. The program was further implemented in FAR subpart 19.10 and DFARS subpart 219.10.

Under the program, small business set-asides were initially suspended for certain designated industry groups. Agencies are required by paragraphs III.D.2.a. and IV.A.4. of the OFPP test plan to reinstate the use of small business set-asides whenever the small business awards under any designated industry group fall below 40 percent or whenever small business awards under an individual Standard Industrial Classification (SIC) Code or Service Code within the designated industry group fall below 35 percent. Reinstatement is to be limited to the organizational elements (in the case of DoD, the individual Military Departments or other Components) that failed to meet the small business participation goals.

The DoD procurement data system indicates that for the 12 months ending June 1998, our awards under the following industries fell below the 40 percent (SIC Code 3731. Service Codes J998 and J999) or 35 percent (SIC Codes 1629 and 1791) thresholds. Accordingly, pursuant to DFARS 219.1006(b) (2), I direct the reinstatement of small business set-aside procedures pursuant to subpart 19.5 of the FAR for all solicitations issued on or after the date of this letter, or as soon thereafter as practicable, as follows:

Industry

Non-Nuclear Ship Repair
SIC Code 3731, Service
Codes J998 and J999

Applicable to:

All Navy Activities

Construction

Major Group 17 -
SIC Code 1791 only

All Navy Activities

Industry

Construction

Major Group 16 -

SIC Code 1629 only

Applicable to:

All Army Activities

The reinstatement of small business set-aside procedures for Construction Major Group 15 for all Army and Navy contracting activities and SIC Code 1629 for all Navy contracting activities remains in effect (memorandum dated June 17, 1998). Also, the departmentwide reinstatement of small business set-aside procedures for the designated industry group titled "Architectural and Engineering Services" remains in effect (memorandum dated September 30, 1991). Also, OFPP raised the emerging small business reserve amount for Architectural and Engineering Services from \$25,000 to \$50,000 on September 13, 1991; this increase remains in effect.

Please ensure that all appropriate contracting personnel are notified of the changes to the Small Business Competitiveness Demonstration Program, and that timely implementation is effected.

A handwritten signature in dark ink, reading "Eleanor Spector". The signature is written in a cursive style with a capital 'E' and 'S'.

Eleanor R. Spector
Director, Defense Procurement

cc:
DIR, SADB
SAF/AQC
DEPDIR (ACQ), DLA
DIR DEFENSE AGENCIES
CDR IN CHIEF, SOCOM
DIR, DOD EDUCATION ACTIVITY
DIR, TRICARE MANAGEMENT ACTIVITY
PRESIDENT, USUHS
DIRECTOR, WHS

COMMODITY FUTURES TRADING COMMISSION

Petition of the London Clearing House Limited for Exemption Pursuant to Section 4(c) of the Commodity Exchange Act

AGENCY: Commodity Futures Trading Commission.

ACTION: Extension of comment period of petition for exemption.

SUPPLEMENTARY INFORMATION: The Commodity Futures Trading Commission (Commission) publishes for comment on July 7, 1998 (63 FR 36657), a petition submitted by the London Clearing House Limited (LCH) requesting an exemption, pursuant to Section 4(c) of the Commodity Exchange Act, in connection with LCH's proposed provision of clearing services for certain swap agreements. Comments on LCH's petition were due by September 8, 1998. In response to a request by the International Swaps and Derivatives Association, Inc., the Commission has determined to extend the comment period for an additional 15 days. The extended deadline for comments on the LCH petition is September 23, 1998. The Commission believes that this extension should give all parties sufficient time to consider and comment upon the LCH petition and will look with disfavor upon any further requests for an extension of the comment period.

Any person interested in submitting comments on the LCH petition should submit them by the specified date to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, DC 20581. In addition, comments may be sent by facsimile transmission to facsimile number (202) 418-5521, or by electronic mail to secretary@cftc.gov.

Copies of the LCH petition are available for inspection at the Office of the Secretariat at the above address. Copies also may be obtained through Office of the Secretariat at the above address or by telephone at (202) 418-5100 or on the Commission's Internet web site (<http://www.cftc.gov>).

DATES: Comments must be received on or before September 23, 1998.

FOR FURTHER INFORMATION: Thomas E. Joseph, Attorney Adviser, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W.

Washington, DC 20581. Telephone (202) 418-5430.

Issued in Washington, DC on September 8, 1998 by the Commodity Futures Trading Commission.

Jean Webb,

Secretary of the Commission

[FR Doc. 98-24574 Filed 9-11-98; 8:45 am]

BILLING CODE 6351-01-M

DEPARTMENT OF DEFENSE

Reinstatement of Small Business Set-asides for Certain Acquisitions Under the Small Business Competitiveness Demonstration Program

AGENCY: Department of Defense (DoD).

ACTION: Notice of reinstatement of small business set-asides under the Small Business Competitiveness Demonstration Program.

SUMMARY: The Director of Defense Procurement has reinstated the use of small business set-aside procedures for certain non-nuclear ship repair and construction acquisitions conducted by the Departments of the Navy and Army. Included in the reinstatement are solicitations issued under Standard Industrial Classification (SIC) Code 3731 (Service Codes J998 and J999) (Navy only), SIC Code 1791 (Navy only), and SIC Code 1629 (Army only; note, however, that use of small business set-asides in this SIC Code was previously reinstated for the Navy and that reinstatement remains in effect).

EFFECTIVE DATE: September 2, 1998.

FOR FURTHER INFORMATION CONTACT:

Mr. Michael Sipple, OUSD (A&T), Director of Defense Procurement, Contract Policy and Administration, Room 3C838, 3060 Defense Pentagon, Washington, DC 20301-3060, telephone (703) 695-8567.

SUPPLEMENTARY INFORMATION: The Office of Federal Procurement Policy (OFPP) implemented Title VII of Pub. L. 100-656 (15 U.S.C. 644 note) by issuance of the "Small Business Competitiveness Demonstration Program Test Plan" on August 31, 1989, amended April 16, 1993. The program was further implemented in Subpart 19.10 of the Federal Acquisition Regulation (FAR) and Subpart 2 19.10 of the Defense FAR Supplement (DFARS).

Under the program, small business set-asides were initially suspended for certain designated industry groups.

Agencies are required by paragraphs UI.D.2.a. and IV.A.4. of the OFPP test plan to reinstate the use of small business set-asides whenever the small business awards under any designated industry group falls below 40 percent or whenever small business awards under an individual SIC Code or Service Code within the designated industry group falls below 35 percent. Reinstatement is to be limited to the organizational elements (in the case of DoD, the individual military departments or other components) that failed to meet the small business participation goals.

For the 12 months ending June 1998, DoD awards in the industries shown below fell below the 40 percent (SIC Code 3731 (Service Codes J998 and J999)) or 35 percent (SIC Codes 1629 and 1791) thresholds. Accordingly, pursuant to DFARS 219.1006(b)(2), the Director of Defense Procurement has directed reinstatement of small business set-aside procedures for solicitations that involve the industry categories shown below. The reinstatement applies to solicitations issued by the applicable buying activities on or after September 2, 1998, or as soon thereafter as practicable:

Industry	Applicable to
Non-Nuclear Ship Repair, SIC Code 3731 (Service Codes J998 and J999).	All Navy Activities.
Construction, Major Group 17- SIC Code 1791 only.	All Navy Activities.
Construction Major Group 16- SIC Code 1629 only.	All Army Activities.

Consistent with the OFPP test plan, this reinstatement of set-asides will be periodically reviewed for continuation. The reinstatement of small business set-aside procedures for Construction Major Group 15 for all Army and Navy contracting activities and SIC Code 1629 for all Navy contracting activities remains in effect (memorandum dated June 17, 1998: 63 FR 37096, July 9, 1998). Also, the departmentwide reinstatement of small business set-aside procedures for the designated Industry group titled "Architectural and Engineering Services" remains in effect (memorandum dated September 30, 1991).

Michele P. Peterson,
Executive Editor, Defense Acquisition
Regulations Council

[FR Doc. 98-24507 Filed 9-11-98; 8:45 am]

BILLING CODE 5000-04-M